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# Front Lines

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U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

JUNE/JULY 2000

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the world's poor

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Operation Day's Work  
begins second year



MICROENTERPRISE





## The Front Lines of a Long Twilight Struggle for Freedom

— John F. Kennedy

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

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**Cover:** Microenterprises provide opportunity in (top) Bolivia, (second row) El Salvador, Guatemala, Dominican Republic, (bottom row) Nicaragua, Asia.

**Photo credits:** Cover, (top) USAID/Bolivia; (second row) Kristine Heine, USAID/El Salvador; Robin Ratcliffe/ ACCION, Guatemala; Kay Chernush, USAID/ Dominican Republic; (bottom row) Kristine Heine, USAID/Nicaragua; USAID photo; page 1, Cooperative Housing Foundation/ CHF; page 2, Fundación COVELO; page 3, Robin Ratcliffe/ACCION; page 4, Mary Plummer/FINCA; page 5, Laura Lartigue, USAID/Guinea; page 6, HIID-BRI Project; page 7, U.S. House of Representatives; page 8, U.S. House of Representatives; page 9, Jennifer Brown; page 10, National Education Association; page 12, Paul Austin; page 13, James Preston; page 17, U.S. Office of Personnel Management.

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### FRONT LINES

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By J. Brady Anderson

## Microenterprise program gives hope to the world's poor

**H**elping the world's poorest people help themselves has been a major goal of U.S. development assistance since President Harry Truman launched the Point Four program in 1949.

Much of USAID's economic development work now concentrates on policy reforms, privatization and other measures aimed at strengthening overall economies, but the very poor

often are unable to share in the resulting economic growth. Starting small businesses has long been an important way for people to work their way out of poverty. The poorest people usually lack the resources to get started and have no access to traditional loans. Microenterprise financing is changing that.

In Jordan, I met a man who had gotten a \$150 loan funded by our microenterprise program. He

### What are microenterprises?

USAID defines a "microenterprise" as a business with fewer than 10 employees. A second defining characteristic is that both the business and the owner have a low level of assets and income. Often microenterprises involve only one person, the owner-operator, or they may include unpaid employees who are family members. Microenterprises exist on the fringe of most formal economies, increasing in number when formal unemployment rises or economic hardship strikes. Microenterprise activities often complement farming, particularly in Africa, blurring the distinction between strategies to assist smallholder agriculture and microenterprise. Simple food processing, handicraft production, repair services, dressmaking, and food vending are typical microenterprise activities.



Administrator J. Brady Anderson makes falafel in a cafe in Jordan started with a \$150 microenterprise loan.

had rented a small space in the corner of a building and — with a butane gas cylinder, a rubber hose and a small refrigerator — he had opened a falafel cafe. I helped him make some of this wonderful Middle Eastern fried dish as we talked. He had never been able to get a loan before, but now he is thinking of expanding his business.

In Honduras, I talked to a group of about 50 women who had started their own small businesses with USAID's help.

One woman, Fidelina Vasquez, had gotten a small loan to buy children's clothes to sell in a sidewalk stall. She told me about waking up one morning to the sound of water rushing through her house. Hurricane Mitch had caused the nearby river to flood.

Senora Vasquez's first thought

was to get her two children to safety. When she had done that, she came back to get the clothes she had to sell — her livelihood — but a mudslide prevented her from saving the clothes.

Unable to repay her loan from sales, she was still determined not to default and took a cleaning job in a hotel. When I met her, she had already paid back the loan and was planning to get another one to start over in business.

She said to me, "You're a big person, and we are all little people here."

I told her that was not true — that she was the big person, not me.

### \$33.28 finances a dream

Another woman, Maria Leticia Lopez, 56, started selling merchandise with a 500 lempira loan (US\$33.28). She also lost all

her belongings when her house flooded during Hurricane Mitch. She has been able to get larger loans as she paid off earlier borrowings, and now owns a successful small variety store. She currently has a 26,000 lempira loan (US\$1,731) and a savings account of 10,000 lempiras (US\$665).

It is not easy to keep hoping, keep dreaming, keep trying when you have lost everything. I am very proud that USAID microenterprise programs are helping poor people around the world to help themselves and their families — and giving them hope.

These small enterprises may never turn into the next Hewlett-Packard, but they can transform the lives of thousands of families, enabling them to have decent places to live and nutritious food, to send their children to school and provide them with clothes and shoes and books — advantages most Americans take for granted.

To help poor people establish and expand microenterprises — and provide support systems that

go beyond the \$50, \$100 or \$500 start-up loans — USAID has become the world's leading donor of funding for institutions that provide microenterprise loans. Women often have the least access to capital and other financial services, so USAID microenterprise programs aim services especially at poor women.

Since 1990, USAID has provided well over \$1 billion to support more than 1,000 institutions around the world that provide the very poor with small loans and secure, interest-bearing savings accounts as well as services to help them develop their businesses.

#### 10 million microentrepreneurs

USAID-supported institutions have helped more than 10 million microentrepreneurs in Asia, Africa, Latin America, and Eastern and Central Europe build better lives for their families. Our agency channels assistance through a variety of institutions, including U.S. private voluntary organizations and international

and local non-governmental organizations, financial institutions, government agencies, companies, and research institutions.

USAID has developed innovative methods to achieve the central goals of microenterprise development: thriving entrepreneurs and financial institutions that gradually become self-sustaining and serve more and more poor people.

In 1994, the agency launched

3 million clients placed \$340 million in USAID-supported savings programs. This amount of savings is impressive for families, many of whom live on the margin of survival.

■ Women represented 67 percent of the total client base, exceeding the agency's target.

USAID-funded lending programs were able to achieve a 95 percent repayment rate, proving that the poor can repay

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### ***USAID-supported institutions have helped more than 10 million microentrepreneurs in Asia, Africa, Latin America and Eastern and Central Europe build better lives for their families.***

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the comprehensive Micro enterprise Initiative, crafted in consultation with Congress and leading practitioners, and established the Office of Microenterprise Development to promote a full range of lending, savings, business services, policy reform and research programs throughout the agency. The initiative was renewed in 1997 and has been a catalyst for microenterprise development around the world.

#### USAID serves record number of microentrepreneurs

Our programs served a record number of microentrepreneurs in fiscal year 1999. One very large USAID-supported institution, Bank Rakyat of Indonesia, served 2.32 million borrowers and 24.2 million savers.

Preliminary figures for other USAID-supported institutions worldwide were also dramatic:

■ a total of almost 2 million clients with loans valued at \$663 million during fiscal year 1999.

loans. About one-quarter of USAID-funded microfinance institutions reported covering their full financial and operational expenses, putting them well on the road to financial independence and the end of donor support.

Even so, we must find ways to extend microfinance activities into more remote rural areas. We are testing the feasibility of new products and services to meet the needs of poor microentrepreneurs — such as helping them to tap more lucrative markets and providing insurance, emergency and housing loans and leasing programs for agricultural equipment. We must also continue to help governments provide more favorable environments for microentrepreneurs, through more equitable tax regimes, licensing requirements and import duties. ■



**Maria Leticia Lopez, who lives in the Colonia Suyapa near the Chamelecon area of Honduras, started with a microenterprise loan for 500 lempiras (US\$33.28). She now owns a successful small variety store.**



## "Portable guarantee" puts credit to work in Ecuador, Bolivia

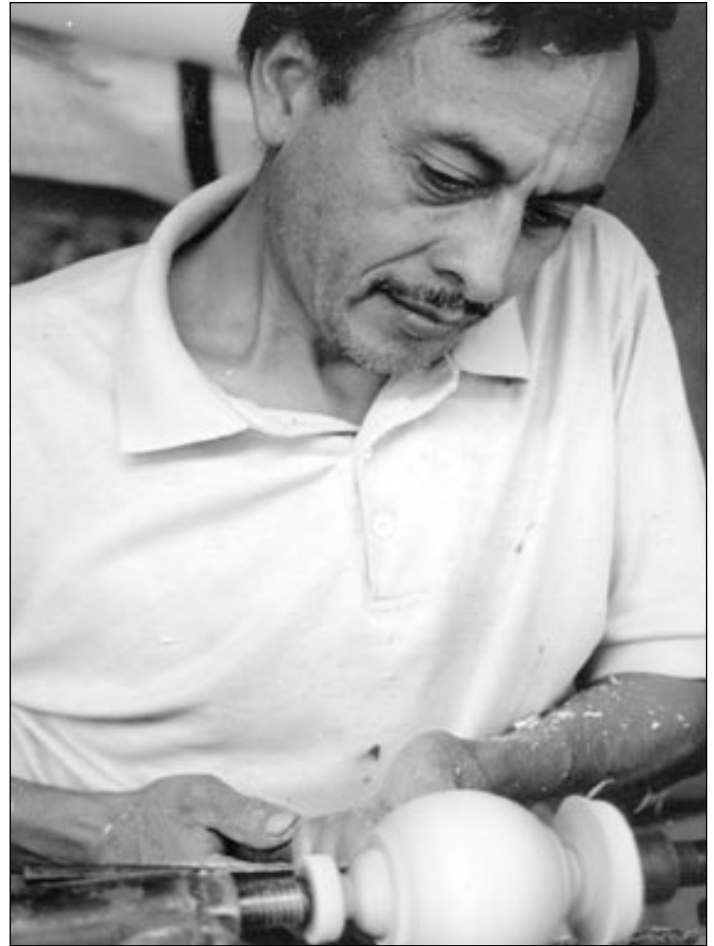
**J**ust when microentrepreneurs especially needed access to credit, BancoSolidario, a small Ecuadoran commercial bank that has chosen the mission of serving micro and small businesses, found itself short of liquidity. The wider economic crisis in Ecuador had resulted in the withdrawal of government accounts. Cash-starved larger banks were unable to lend to smaller institutions like BancoSolidario.

USAID has found that, in addition to grants, loan guarantees and credit tools are powerful ways to support microfinance institutions, especially in countries like Ecuador, where the entire banking sector was hard hit.

To continue serving the microentrepreneurs who needed financial services, BancoSolidario became part of an innovative new program of USAID's Office of Credit and Investment (CIS) in the Economic Growth and Agricultural Development Center. Through its portable guarantee program, CIS provided BancoSolidario with a guarantee as collateral that would enable the institution to "shop" for capital loans at banks outside

Ecuador as well as inside the country. At a time when auditors and government officials were choosing which financial institutions survived and which did not, the portable guarantee enabled BancoSolidario to obtain needed funds from Citibank and others to weather the banking crisis. That guarantee was a very visible show of USAID's confidence in BancoSolidario.

USAID also provided a portable guarantee to two Bolivian microfinance institutions. The guarantee represents a significant investment for the institutions, which must pay for the guarantee in addition to the commercial lending institution's loan fee. Because banks can provide much more capital than the microfinance institution could access through private or donor grants, the portable guarantee has been critical in helping microfinance institutions expand services and linking them to the formal financial sector. There is great demand from microfinance institutions in Latin America for capital. USAID plans to expand the portable guarantee and other credit programs in Latin America and around the world. ■



Microenterprise loans mean opportunity for people like woodworker Victor Hugo Lopez Tejada, of Antigua, Guatemala.

By Katrena Henderson

## Romanian credit unions develop new financial products for microentrepreneurs

**S**ince the communists were overthrown in December 1989, Romania has been struggling to develop a market economy. Privatization of state-owned land, enterprises and industry resulted in staggering unemployment. Frustrated by layoffs, low pay, and increasing economic instability,

many Romanians sought self-employment and entered the microenterprise sector. From pastry chefs to pharmacists, these entrepreneurs began opening their own microbusinesses.

Microentrepreneurs quickly discovered they needed financial services for their businesses to

grow. Unfortunately, the market economy that fostered a thriving entrepreneurial spirit also fostered an environment for pyramid schemes, financial scams, and bank foreclosures. With little or no access to credit through the formal banking sector, microentrepreneurs were without reliable financial

services. Many turned to member-owned credit unions for dependable savings and credit services. Credit unions are not new to Romania. Under the communist economy, a *Casa de Ajutor Reciproc* (CAR) was allowed to make small loans based on the member's CAR  
(continued on back cover)

By Katrena Henderson

## USAID and FINCA: helping women in Tanzania

**W**ith a grant from USAID, the international microfinance network FINCA set up shop in Tanzania and began training its first Village Banking Groups in June 1998, disbursing its first loans in July. Using the group support system in which 30 to 50 neighbors — usually women — come together to guarantee one another's loans, the program reached 757 low-income women and distributed loans worth US\$57,183 in just two months. In 1999, FINCA Tanzania reached 3,632 clients, exceeding its targets despite a difficult economic environment.

Located in Mwanza, in the Lake Zone, FINCA Tanzania's clients include many members of the Sukuma tribe. All of its current clients are women. A large number of the borrowers are single mothers, providing the only income for their families. In this region and throughout Tanzania, there are few job opportunities in the formal economy. With loans from FINCA, entrepreneurs quickly became involved in a range of business activities, from selling tomatoes to starting a hair salon. Bahati Warioba is an example.



**Bahati Warioba and her husband started a small carpentry shop with scrap lumber, making stools, chairs, tables and beds in the village of Igombe, Tanzania. With a microenterprise loan from FINCA, they were able to buy good lumber, like the boards pictured with her here, and improve their business.**

marriage, she and her husband lived in the small village of Musoma, where there was little opportunity for employment. Bahati and her husband moved to Igombe and began a fish-selling business, but competition was stiff. When they couldn't earn enough to support themselves, Bahati and her husband were forced to find another way of

FINCA Tanzania was beginning to offer loans in her area. She knew that with a small loan, she could improve her business. She joined the Ushindi Village Banking Group, which was in its second week of training.

With the first loan Bahati received from FINCA, she was able to purchase good timber, and she hired two additional craftsmen to help out. Her business immediately took off. The carpentry shop is now turning out three beds and four tables each week, and the products sell rapidly. "You can see for yourself," she says. "There is no piece of furniture laying around. Everything is sold immediately after the last touch." With her first-cycle profits, Bahati has been able to buy a piece of land for \$120, where she and her husband will construct a house of their own. "I wonder where FINCA has been all these years," she says. "I wish it had come earlier, and my

time wouldn't have been wasted in the village."

In 1999 FINCA Tanzania partnered with Freedom from Hunger to launch a program to offer some of its members health education and basic business training at Village Banking Group meetings. This USAID-funded effort is helping collect data on program performance and impact, such as repayment rates, membership retention, and health practices, which will make it possible to compare microfinance programs that offer only credit with those programs that offer credit plus education. Ultimately, these efforts will help both FINCA and Freedom from Hunger to continue improving their programs to meet the needs of the microentrepreneurs they serve. ■

—Henderson is a microfinance specialist at Weidemann Associates, Inc.

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### ***With loans from FINCA, entrepreneurs quickly became involved in a range of business activities...***

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Like many members of poor families, Bahati Warioba had to cut her education short because her parents could not afford to send her to school. With only two years of schooling, Bahati left home to get married at 16. Early in their

earning a living.

With a tiny amount of capital, they started a small carpentry workshop, where they used scrap wood to make stools, chairs, tables and beds, which they sold at a modest profit. Then Bahati heard that

By Jacqueline Bass

## PRIDE/Formation: providing critical business development services to microentrepreneurs in Guinea

Guinea, where many people grew up under socialism, may seem an unlikely place for one of Africa's most successful microenterprise training programs — but PRIDE/Formation, a USAID-funded organization, is providing tailored management, accounting, and marketing training to help Guinean microentrepreneurs prosper.

Barry Alhassane is typical of many Guineans who have benefited from PRIDE/Formation services. In 1988, he took a gamble and went into business by himself. Before

for training activities. USAID-supported organizations such as PRIDE/Formation have designed a variety of innovative and practical programs to reach those who most need to improve opportunities for income generation. These programs address major constraints experienced by microentrepreneurs such as poor product design, lack of access to materials or market outlets and insufficient technical or management skills.

PRIDE/Formation continually modifies and increases the number

two-tiered pricing structure, with individual entrepreneurs paying a lower price than institutional clients, makes training available to more entrepreneurs, especially women. Innovative marketing and pricing strategies enabled PRIDE/Formation to improve its level of cost recovery from 25.4 percent in 1996 to 73.1 percent in 1998, pushing it ever-closer to full financial viability. This is a remarkable achievement for a training organization that targets the very poor in one of the world's poorest countries.

Mariame Bah, the owner of a small rice bar, also took advantage of this training program. She invested \$200 to participate in an entrepreneurship workshop offered in her small town of Mamou in the heart of the Outah Djallon in Guinea — an investment that she says “opened my eyes to new business opportunities in my Mamou.” As a result of the knowledge gained during this course, she decided to expand her business — opening a small video club next to her tiny restaurant.

With the knowledge that investments in improved marketing and technical skills is money well spent, she further diversified her business, organizing a small group of women friends to create an embroidery training center. Today, she successfully manages these three activities with assets totaling over \$6,800.

In 1998, 2.2 million entrepreneurs and organizations received business development services from USAID-supported institutions. The majority of these clients are willing to pay for services such as counseling and dissemination of market information, contract brokering, and business management training. Institutions like PRIDE/Formation are proving that an entrepreneur's willingness to pay for services is the best measure of demand. USAID continues to strongly encourage increasing cost recovery to ensure that all enterprise support services are based on market demand and valued by clients. ■

—Bass is a consultant specializing in financial services for microentrepreneurs.

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***USAID-supported organizations such as PRIDE/Formation have designed a variety of innovative and practical programs to reach those who most need to improve opportunities for income generation.***

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very long, his tiny trading business faced problems common to microenterprises — stagnation and low profit margins. In July 1994 he attended an entrepreneurship workshop offered by PRIDE/Formation. As a result of the training, he introduced many changes in his business: redesigning his shop, purchasing a safe to separate business and family resources and setting up a simple accounting system. His sales tripled and he could not keep up with the growing demand of his business. Rather than turn away customers, he hired two people to help him in the cramped quarters of his store.

Microentrepreneurs like Alhassane are a driving force in Guinea's economic growth. Most run their businesses alone or with a few employees, with very little time

of its training products to meet the changing needs of its clients. PRIDE translated its entrepreneurship training materials into three major Guinean languages—Maninka, Pular, and Sousou—and added a series of visual aids to make the information accessible to microentrepreneurs, most of whom are illiterate. Market access was a critical bottleneck for clients, so PRIDE/Formation introduced a new training workshop, “Preparing Bids & Proposals,” to help them develop the skills needed to tap into local markets. After attending this new workshop, one microenterprise network, *L'Association Fraternelle des Entrepreneurs de Kamsar*, won a subcontract from one of Guinea's largest mining companies.

An affordable and cost-effective,



**Mariame Bah owns a small rice bar in Mamou, Guinea, and with the knowledge she gained in an entrepreneurship workshop, she opened a small video club next to her restaurant.**

By Jeanne Downing and Katrena Henderson

## Expanding services for Bangladeshi microentrepreneurs

In the farming village of Jolpar in Bangladesh, women like Jamirunnesa have become successful entrepreneurs earning almost US\$600 per year — twice the country's annual per capita income.

Jamirunnesa began to pull herself and her family out of desperate poverty by taking an initial loan of approximately US\$60 to buy a milch cow. After quickly repaying the loan, Jamirunnesa qualified for a larger loan and diversified into poultry farming. With the profits from her newest business, running a cell phone service, Jamirunnesa has bought two fans and purchased a piece of farmland while making contributions to a savings account.

Jamirunnesa is one of over 2 million Bangladeshis, the great majority of whom are poor rural women, who take part in the credit, savings and business development services provided by the Grameen Bank and other microfinance institutions. Since the 1970s, Grameen has offered microcredit loans through its well-known peer-group lending models in which five borrowers organize into a group and use mutual guarantees as a substitute for collateral to obtain a working capital loan.

USAID's mission to Bangladesh has played a very important role in enhancing economic opportunities for the poor through microenterprise investment, which is consistently one of the agency's largest country programs. In fiscal year 1998 alone, USAID/Bangladesh provided US\$7.6 million in microenterprise support. To date, some 60 Bangladeshi organizations have received USAID



Microenterprises like this one in Bangladesh provide opportunity not only for family members, but often can grow to employ others as well.

funding for microenterprise development. At the end of fiscal year 1998, USAID-supported microfinance institutions in Bangladesh were serving nearly 2 million borrowers, a comparable number of savers and 2.1 million clients for business development services.

The microfinance environment in Bangladesh has become quite competitive, as other institutions have begun to provide access to financial services to millions of microentrepreneurs. The Bangladesh Rural Advancement Committee (BRAC) has 2 million microfinance clients and recently licensed a commercial bank with technical assistance provided by South Shore Bank of Chicago.

Another institution that has gained worldwide recognition is

the Association for Social Advancement (ASA), which has nearly 1.4 million active clients. ASA has used a savings-led strategy to achieve strong financial results with little donor funding.

Bangladeshi non-governmental organizations, such as BRAC, have also achieved impressive results by providing diverse business development services, which boost earnings by enhancing the productivity of microenterprises. BRAC has helped over 1 million members create self-employment in the booming poultry industry, providing training and other services to microentrepreneurs eager to become chick rearers, suppliers, para-veterinarians, and egg retailers. Grameen is one of these organizations and is

involved in village cell phone services and textile exporting. The credit and skills-training program of another provider, the Women Enterprise Development Project, created 42,000 enterprises and 120,000 jobs, increasing client incomes by 50 percent to 100 percent. ■

—Downing is a microenterprise consultant specializing in business development services. Henderson is a microfinance specialist at Weidemann Associates, Inc.



By Rep. Benjamin A. Gilman (R-N.Y.)

## Microenterprise strengthens democracy, free enterprise

Last year, I authored H.R. 1143, the Microenterprise for Self-Reliance Act, that passed the House of Representatives and is awaiting consideration by the Senate. I am very proud of this landmark legislation that is designed to promote and strengthen the principles of free enterprise and self-help where these are needed most — at the grassroots level in developing countries.

My extensive travels throughout the developing world have confirmed what I have always believed about the human instinct for advancement and a better life. Afforded the opportunity to work and own a business, poor people everywhere are capable of successfully managing and building their own businesses. In doing so, the poor not only acquire the minimum necessary for a good and decent life, but they also become stakeholders in those institutions that strengthen and build democracy and free enterprise.

It is for these reasons that I drafted legislation that would provide the poorest of entrepreneurs throughout the world with the seed capital — in the form of mini-loans — necessary to build nascent businesses that initially employ family members but often expand to employ many other members of a local community and thereby stimulate economic growth at the local level. It is this type of self-reliance and work ethic that the American people are proud to support and that truly constitutes sustainable community development.

Succinctly, H.R. 1143 authorizes the Agency for International



**Rep. Ben Gilman, chairman of the House International Relations Committee**

Development to make grants and loans to capitalize institutions that make very small loans to the poor in developing countries. My legislation authorizes \$152 million in fiscal year 2000 and \$167 million in fiscal year 2001 to support these efforts. Micro-loans are often less than \$300 a year and simply provide much needed technical assistance and training to emerging small poor businesses. Because of the small-scale of the loans to be provided, the levels authorized for this program in H.R. 1143 can reach thousands of beneficiaries worldwide and make a genuine difference for the poor.

The results of microenterprise efforts to date have been impressive. The repayment rates for these loans rival those of commercial banks and demonstrate that the poor have the ability to manage credit when given an opportunity to do so. H.R. 1143 builds on these successes and serves to strengthen and expand the scope and reach of microenterprise development.

My goal is also to create a loan

facility to assist U.S.-sponsored microfinance institutions that make small loans to the poor on occasions when these institutions face financial difficulties due to natural disasters, wars, or severe national financial crises in the countries in which they operate. By doing so, the loan facility would provide the necessary support for those institutions to carry out their work in the most difficult of conditions and to ensure that their valuable efforts continue unabated even under the most trying of circumstances.

With less than \$10 million over the next five years, the loan facility can serve to provide much-needed emergency support to microfinance institutions at critical times and thereby avert disruptions in loan-making operations due to circumstances beyond their control.

and people-to-people approach to grassroots development is crucial for free enterprise to flourish in developing societies. Therefore, it is my hope that the Agency for International Development will redouble its efforts and continue to expand its commitment to microenterprise development by working to create a more favorable environment for microentrepreneurs in developing societies. The Agency for International Development should promote reform in tax regimes, import duties, and licensing requirements that often create obstacles for small-scale poor business men or women in developing countries.

As we begin a new century, I have every hope that a better life can be achieved for the less fortunate of the developing world if the principles of free enterprise, self-

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***Afforded the opportunity to work and own a business, poor people everywhere are capable of successfully managing and building their own businesses.***

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I am pleased that the Agency for International Development continues to invest in microenterprise development and that the agency recognizes that strong support for microenterprises stimulates economic development at the community level and reaches the poorest of households, especially women entrepreneurs. I am convinced that this direct self-help

reliance, and hard work that embody the American spirit are applied in our assistance strategies for developing societies. It is precisely these goals that the Microenterprise for Self-Reliance Act is designed to achieve. ■

—Gilman is chairman of the House International Relations Committee.

By Rep. Sam Gejdenson (D-Conn.)

## Microcredit transforms lives

Nearly 25 years ago, in a small town in Bangladesh, an economics professor launched an experiment that would forever change the way we look at development. Dr. Muhammad Yunus, founder of the Grameen Bank, was among the first to suggest providing small loans to the world's poorest citizens so they could start their own businesses. Dr. Yunus found that microenterprise programs were a powerful tool to fight poverty and promote economic and social development.

As more and more families have used microcredit to pull themselves out of poverty, this theory has gained currency among policy-makers and development experts.

But while the Grameen Bank's work helped spearhead the growth of microenterprise, the concept of microcredit has existed for generations.

A microcredit loan helped give my own family a fresh start when we arrived in this country after World War II. Holocaust survivors and refugees from a displaced persons camp in Germany, my parents arrived in the United States without a penny to their names. But, with an interest-free, microcredit loan from an American Jewish organization specializing in assistance for refugees, my parents were able to buy the dairy farm we all live on today. That loan gave them the chance to build a new future in this country—to make a new life for themselves and their children.

Microenterprise programs have had a tremendous impact all over the world. According to a report released by the Microcredit Summit Campaign earlier this month, microcredit programs had reached 13.8 million of the world's poorest people as of last December—an 82 percent increase in the last two years alone.

Most microloan institutions boast repayment rates of 97 percent or

better—on a par with major banks, which lend to far more affluent traditional borrowers.

That record has gained support for microcredit from leaders across the globe. Queen Rania of Jordan has been actively promoting microcredit as an effective means to break the cycle of poverty. The new queen traveled to Kosovo in April to launch a series of microcredit projects through FINCA, one of the fastest-growing microcredit programs that USAID supports.

Over the past 20 years, I have had the opportunity to see microenterprise projects all over the world. Earlier this year, I visited a microenterprise incubator for women entrepreneurs in Bangalore, India. The Association of Women Entrepreneurs of Karnataka (AWAKE) specializes in providing technical assistance, management training, counseling and peer group support, as well as financial assistance, to a dynamic group of women. Their work ranges from designing traditional and non-traditional handicrafts, garments and jewelry to the manufacture of chemicals, plastics, electrical wiring, and computer software.

I spoke with many of these women to get a sense of their experiences. Talking with them, I found that in virtually every case, AWAKE gave them the skills and capital necessary to build their own businesses, raise healthy families, and contribute to India's economic development.

Stories like these, coupled with my own experiences, have made me an ardent supporter and champion of microenterprise. Last year, I co-authored legislation, the Microenterprise for Self-Reliance Act of 1999, to help promote and strengthen self-sufficiency, individual responsibility and free enterprise, the very principles which underlie any successful microenterprise program.



Rep. Sam Gejdenson with staffer Nisha Desai (second from left, front row) and members of the Association of Women Entrepreneurs of Karnataka (AWAKE), Bangalore, India.

I fought hard to ensure that the bill allowed USAID to provide concessional loans to U.S.-sponsored microfinance institutions when they face bankruptcy as a result of natural disasters, civil wars or national financial crises. This provision would ensure that services for the poor are not interrupted when they are most needed—during periods of economic or civil upheaval.

The legislation also authorizes \$152 million in fiscal year 2000 and \$167 million in fiscal year 2001 for microenterprise programs. These funds would go a long way toward empowering individuals and helping the poor to achieve economic self-sufficiency within their communities.

Since the early 1980s, USAID has helped to provide credit and economic opportunity to the disenfranchised poor—the great majority of them women—in more than 40 countries worldwide.

Throughout my tenure in Congress, I have had the privilege of working with a number of dedicated leaders who lent their vision, passion, and expertise to the cause of micro-

credit lending and the empowerment of women in developing countries. Both First Lady Hillary Rodham Clinton and former USAID Administrator Brian Atwood have been crusaders of microenterprise, working tirelessly to expand the United States' role in promoting increased access to microcredit programs for the world's poorest families. Since becoming USAID administrator last summer, Brady Anderson has also championed microenterprise.

Globalization has created both winners and losers. In the battle to eradicate poverty, microcredit is one of our most formidable weapons, giving us the opportunity to transform lives and extend the benefits of prosperity to countless millions. We must continue that fight until every human being, regardless of race, gender, or ethnicity, has an equal opportunity to build a brighter and more prosperous future. ■

— Gejdenson is ranking Democrat on the House International Relations Committee.

# Business Alliance report urges doubling foreign assistance to build a worldwide middle class

**"O**ur ability to grow the U.S. economy is directly proportional to the rise of a worldwide middle class," the Business Alliance for International Economic Development concluded in a report this spring. "America's trading partners of the future will account for a growing percentage of the jobs within our borders."

The Business Alliance report "shows how development programs assisted by the United States create the essential first steps in this growth process," by which today's developing countries become tomorrow's customers for U.S. businesses. The report, "Protecting America's Future: the Role of Foreign Assistance," was issued as part of what the Alliance considers its mission, "informing the American public, elected officials and the wider business

this vital mission. Even with past successes, these institutions must evolve to meet the competitive challenges we face in the post-Cold War environment," the report states.

"Critics cited the collapse of the Soviet Union as a rationale for ending or severely reducing American 'foreign aid,'" the document notes. "Over the past decade, resources going to foreign assistance have been reduced approximately 40 percent."

Among the report's conclusions are:

"There are many other reasons that America should continue, and in fact, expand a targeted foreign assistance program. We should assist victims of natural disasters and famine, help increase child survival, reduce the foreign production of drugs, contain infectious diseases, assist refugees, protect the

percent of the entire U.S. economy — double the level of only a decade ago — and are the fastest growing part of the economy. Export-driven job growth is a result largely of our trade with developing countries, not with our traditional European, North American and Japanese partners. Our foreign assistance expenditures in the 1960s and early 1970s, particularly in East Asia and Latin America, are tightly linked to a massive increase in exports and investment in the developing world in the 1980s and 1990s.

"At the very least, our goal should be to match the mean level of total U.S. economic assistance in the 1960s — about \$18 billion a year in constant 1995 dollars, an increase of more than 100 percent from FY 1998 expenditures."

"Applying development assistance that promotes a stable investment environment performs an important integrative function in the global economy. U.S.-supported programs have been instrumental in helping governments establish the practices and policies that will promote economic development and encourage trade. These have included appropriate business codes, innovative credit finance, well-regulated and transparent banking systems, viable stock markets, market-oriented monetary policy and the development of institutions that support transparent and accountable business conditions."

"Today, exports account for 10



"The current budget surplus provides a realistic opportunity for increasing foreign assistance programs."

"We cannot afford to pass up the opportunities for security and growth that foreign assistance provides. By carefully and strategically expanding future assistance, we can adapt to the dynamic needs of the contemporary world while promoting vital American economic interests."

The report is a compilation of three previously published reports by the Alliance, which recommends it as "a useful primer on foreign assistance and its relationship to the global economy." It is signed by George Burrill, who heads the Alliance; Kenneth J. Giunta and former Congressman Lee Hamilton of the Woodrow Wilson International Center for Scholars; L. Craig Johnstone, U.S. Chamber of Commerce; James C. Orr, Bretton Woods Committee; and John W. Sewell, Overseas Development Council. ■

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***"The opening of new markets will be driven largely by the private sector. But there are some economic risks that only governments can take."***

*from "Protecting America's Future: the Role of Foreign Assistance"*

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community about the connection between properly implemented foreign economic assistance and the expansion of U.S. exports and jobs.

"The Business Alliance believes there are development assistance roles that only the U.S. government and multilateral development banks can fulfill and that sufficient resources must be made available to these institutions to accomplish

environment and address critical problems that, if unattended, lead to turmoil and conflict."

"The opening of new markets will be driven largely by the private sector. But there are some economic risks that only governments can take. In order for all Americans to benefit from global engagement, leadership must come from our elected officials."

"Today, exports account for 10

## "Give us a chance to change the world!" — Operation Day's Work students brief Congress

As he introduced the Operation Day's Work (ODW) National Student Committee to a Capitol Hill briefing room packed with members of Congress, congressional staffers and students, Administrator J. Brady Anderson characterized ODW as "one of the most exciting things we do at USAID."

In the moments after the students had finished telling about their program, "I'm blown away!" were the only words Rep. Earl Pomeroy (D-N.D.) could find to describe what he had seen and heard.

For ODW students, this was another big day in a year marked by success.

Having held meetings via conference call every Sunday night for the past six months, the eight elected members of the ODW National Student Committee arrived at USAID's Washington headquarters March 6 for a three-day meeting. Since the last time committee members had met face-to-face, the number of schools involved in ODW has more than tripled to include 30 schools in 16 states.

### What is Operation Day's Work?

Operation Day's Work – USA (ODW) is a USAID-sponsored national student organization that conducted its first workdays to fund development projects during the 1998-1999 school year. ODW students select a developing country in which to fund a project related to education. Students from participating schools across America then review and vote on project proposals, collec-

tively choosing the one they believe would most effectively help their peers in the selected country. In the spring, students and teachers at each ODW school organize activities to educate and enlist the help of their classmates, school administration, local leaders, and community. Finally, students organize a workday in their communities to raise funds for the project they helped select.



Elizabeth Fristad, an Operation Day's Work (ODW) participant from the Schroeder Middle School in Grand Forks, N.D., talks with Rep. Earl Pomeroy (D-N.D.) and Administrator J. Brady Anderson after ODW presentation to Congress.

### This year's project in El Salvador

The first day of the students' visit focused on El Salvador, the country they chose to study and support in the 1999-2000 school year. Officials at the Embassy of El Salvador briefed the committee on current conditions in the country and El Salvador's history and culture.

The afternoon was spent reviewing and tallying the votes of students across America to select this year's project to fund in El Salvador. Throughout the month of February, students in each school participating in ODW reviewed proposals for projects in El Salvador from nine U.S. non-governmental organizations with Salvadoran partners.

Votes were cast online using the ODW interactive Web site (<http://odw.usaid.gov>).

A Salesian Missions proposal, "Training Children Victims of War for Jobs" [see box next page] won overwhelming support. It will be

funded with money raised by student workdays in April and May.

### Livestock project in Haiti

On day two, before the Hill briefing, the national committee assessed the progress of ODW's first development project in Haiti, for which they raised money in the 1998-1999 school year. Students on the committee poured through financial and narrative reports from the field and found that their project, "Livestock Training for the Young People of Haiti," is meeting goals and is ahead of schedule.

The livestock program is administered by a partnership between World Concern Development Organization and CARE in Haiti.

"We nicknamed it 'the goat project,'" Deirdre Faherty, of Quincy, Mass., explained at the congressional briefing. "It targets children in the poorest parts of Haiti and trains them in livestock



care. At the end of the training, each participant receives one goat. When the goat reproduces, its first kid is given back to the program," so that more children can receive goats. "Last spring, over 1,000 students across the country put in a day of work at local businesses and community organizations. Together we raised \$30,000 for the goat project."

Partnerships have been formed with twice the projected number of Haitian schools, and more than 65 percent of the anticipated number of Haitian youth have already passed their training and received their goats. At its halfway point, the program has used just over one-third of the money raised by ODW students.

After the students had

completed their briefing on these projects, Rep. William Delahunt (D-Mass.) observed that the efforts of Operation Day's Work

students bode well for the future of the United States and the world. Striking the podium for emphasis, he said, "These students

are not the leaders of tomorrow. They are the leaders of today."

Rep. Pomeroy said, "As a member of the Foreign Operations Sub-Committee, I can assure you that the level of discourse and understanding of complex issues demonstrated by these students is remarkable."

El Salvador's Ambassador to the United States Rene Leon looked forward to mutual benefits he said would come from personal relationships between the citizens of nations involved in ODW and thanked the students for their efforts on behalf of young people in El Salvador. ■

—Austin is director of the Operation Day's Work project in the Bureau for Legislative and Public Affairs.

## Project 2000: El Salvador

ODW students voted this year to fund a project in El Salvador, "Training Children Victims of War for Jobs," that will be implemented by Salesian Missions. Money ODW students raise in the 1999-2000 school year will fund the three-year project, which will help 300 Salvadoran youth who were orphaned or severely traumatized as a result of the civil war. By providing counseling, basic education and vocational training, the project will help these young people become reintegrated into Salvadoran society.

## Student comments on Operation Day's Work:

*"Working on ODW has given me the feeling that I have the power to change the lives of others for the better. Our sense of accomplishment comes from not only learning about others, but actively helping them."*

**Adam Clay**  
Shorewood, Wis.

*"One aspect of Operation Day's Work that is important is the bridges that it builds within communities. It gives students an opportunity to meet and build relationships with adults in their community. It shows that we do care and can make a difference."*

**Katie Kruse**  
Minneapolis, Minn.

*"ODW participants learn that they possess the ability to help open the door to success for another person. This global connection is one of the reasons*

*ODW will change the future of America. Kids will learn dedication and global understanding while building a passion for helping others to succeed."*

**Kimesha Winn**  
St. Louis Park, Minn.

*"There is a stronger foundation than just charity underlying the Operation Day's Work program. This foundation is what the Europeans call solidarity. Charity involves the acts of asking and giving; solidarity involves sharing. Charity is an action between people who are perceived on different levels with different rights. Solidarity is an action between people with acknowledged, equal rights. It means understanding what others are going through and relating to those lives in some way. Solidarity involves respecting the people you are trying to help and not giving too much."*

**Katie Grote**  
Vershire, Vt.

*"I have gained a greater sense of how large the world may seem and how small it really is. Through ODW, I have realized that the people we are affecting are not just ordinary people, but are closer to us than they seem."*

**Eileen Fitzgerald**  
Wauwatosa, Wis.

*"I feel ODW is important because I know what it feels like to go to bed hungry. I know how it feels to see your parents go hungry because their jobs and skills are not sufficient to feed all of you. When I was approached with the opportunity to make a difference in the lives of others so that they could be clothed, fed and educated, I was eager to participate."*

**Rhonda Humphries**  
Washington, D.C.

*"Here in America...we are luckier than any of us could ever really imagine. When you think about teens, what may come to mind is difficult and irrespon-*

*sible. But we are also caring and eager to help others, which is what can make programs like this work. We have learned a lot about the world around us. Even though it was new and foreign, we were not afraid to give it a try. Being involved in ODW is like being involved in the world, not just helping the unfortunate, but making a positive difference in their lives and ours....Give us a chance to change the world."*

**Elizabeth Fristad**  
Grand Forks, N.D.

*"To know right now that a family won't have to live their lives with fear...that a mother won't have to give her children away to child labor or a teenage boy doesn't have to lead a life of crime. This is an experience that I will remember for the rest of my life."*

**Deirdre Faherty**  
Quincy, Mass.

## Polio eradication: coalition honors FDR, gears up for “most challenging” final phase

On April 12, the sun broke through on an otherwise rain-soaked Washington spring day at an event celebrating President Franklin Delano Roosevelt’s personal victory over polio and the achievements of a wide spectrum of U.S. agencies in the campaign to eradicate the virus from the globe. The ceremony, held at the FDR Memorial in Washington, featured area schoolchildren singing and “administering” symbolic drops of oral polio vaccine in solidarity with the children of the remaining countries where polio is endemic.

Elizabeth Roosevelt Johnson spoke eloquently of her grandfather’s legacy of courage and determination that continues to inspire those dedicated to humanitarian causes.

Rotary International’s work on the campaign to eradicate the disease set a precedent for private sector participation in the elimination of a major public health problem worldwide. Rotary declared the effort its “corporate cause” and then persuaded the World Health Organization to join the battle. By 1988 the World Health Assembly voted unanimously to set the goal of polio eradication by the year 2000.

Rotary volunteers in every country still participate actively in on-the-ground vaccination efforts. The campaign now unites international, bilateral, and for-profit and not-for-profit non-governmental organizations. Last year, Ted Turner’s United Nations Foundation and the Bill and Melinda Gates Foundation became the newest “polio partners.”

Cases have fallen to the lowest

level since records on the disease have been kept, and polio eradication is within reach, speakers said, but this final phase is the most challenging of all. Multiple rounds of vaccines must be carried to every child in the most remote rural villages and urban slums where infrastructure is the weakest and civil conflict makes the work most dangerous. Cultural, ethnic, religious and socio-economic barriers must be overcome to reach many of these communities and surveillance capabilities developed in some of the world’s most deprived areas, so that each new case of paralysis can be reported and investigated.

U.N. Foundation Director Timothy Wirth recalled how in 1938, President Roosevelt helped found the March of Dimes, which supported development of the first polio vaccine. “More than 150 nations are now polio-free, and the disease has been eradicated in 90



Deputy Administrator Harriet Babbitt described USAID’s part in the worldwide effort to eradicate polio at “The Opportunity of a Lifetime” event at the Franklin Delano Roosevelt Memorial.

Democratic Republic of the Congo, allowing the country’s first national immunization days to reach over 8 million children.

Babbitt said the agency is “working in almost every corner of the world where polio still threatens

“Today, on the anniversary of his death, let us all pledge a new deal for the world’s children, so that in five years we may declare polio a disease of the past.”

Congress appropriated over \$100 million in fiscal year 2000 to USAID and to the U.S. Centers for Disease Control and Prevention (CDC) for polio eradication. Representing the CDC, Walter Orenstein, of the Office of Global Health, said, “It is a rare event when all people, their children, and their children’s children can benefit in perpetuity from a single health intervention like the polio vaccine — this is the promise of polio eradication.”

Representatives of Rotary International, the Global Health Council, the Pan-American Health Organization, and the CORE Group of U.S. private voluntary organizations also spoke at the event. ■

—Notkin works in the Global Bureau/Population, Health and Nutrition/Child Survival Division.

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### *Polio has been eradicated in 90 percent of the world.*

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percent of the world — including the Americas, Europe, the Pacific Rim, and parts of Africa. There are now 30 priority countries in sub-Saharan Africa and the Indian subcontinent that remain poliovirus reservoirs.”

USAID Deputy Administrator Harriet Babbitt noted that last year 470 million children in 83 countries (more than the entire population of the United States) were immunized. A cease-fire was negotiated in the

children,” including 18 countries in sub-Saharan Africa and four on the South Asian subcontinent, supporting social mobilization, immunization efforts, and building surveillance capacity.

The VOA broadcasts polio eradication information each month in 17 languages, according to VOA Director Sanford Unger. “Nearly 70 years ago, President Roosevelt announced a new deal for the American people,” he said.

## Global Technology Network program honored for public service excellence

**U**SAID's Global Technology Network (GTN) Program received the Public Employees Roundtable international award for excellence May 1. The award was one of seven presented at a Breakfast of Champions event on Capitol Hill honoring the work of local, state and federal government agencies.

Accepting the award for USAID, Administrator J. Brady Anderson remarked, "The GTN program represents the best of what USAID is about, linking U.S. development achievements abroad to domestic priorities — expanded overseas markets, better jobs, and a strengthened U.S. economy."

GTN began in 1993 as the Environmental Technology Network for Asia, a component of the USAID-administered U.S.-Asia Environmental Partnership, says Joe Duncan, GTN project manager. Initially, it matched environmental and energy needs of developing countries to products and services U.S. companies could provide. Expanding to other regions, GTN now also focuses on agriculture, health, and communications/information technology.

GTN operates in 41 countries in Asia, Africa, Latin America, the Middle East, Central/Eastern Europe and Eurasia and has generated more than \$300 million in U.S. export sales.

In 1999, GTN launched two new regional programs:

- A pilot program for GTN-Africa that began in 1998 in Uganda was expanded to eight countries in 1999 and will be extended to eight additional countries by the end of this year, according to Tracey Duffey, regional GTN program manager in Nairobi.

- GTN's objective in Southeast Europe, says Charles Santangelo, regional business development program manager for Europe and Eurasia, is "to foster regional recovery and cooperation through expanded trade following the Kosovo conflict."

The GTN Southeast Europe (GTN-SEE) regional program, in collaboration with the Europe and Eurasia Bureau-funded Firm Level Assistance Group (FLAG) program, utilizes the electronic trade-lead matching system to connect local buyers with local suppliers.

If a Bulgarian supplier cannot be found for water purification equipment needed in Bulgaria, for example, the E-commerce system looks regionally — in Romania, Croatia and Macedonia. If a local or regional supplier cannot be found, the trade lead is transmitted to

GTN/Washington. There it is matched with more than 7,000 companies in the GTN database and electronically transmitted to one or more qualified U.S. suppliers — usually within 48 hours.

"GTN-SEE has already had an impact," Santangelo points out, recently finding a source in Romania for \$1.9 million in blankets, medical kits and other emergency relief supplies for war-ravaged Kosovo residents.

GTN provides the technology-transfer component for the Eurasian-American Partnership for Environmentally Sustainable Economies (EcoLinks) Program in Central and Eastern Europe and Eurasia. There are plans to launch another regional program in East Asia, starting with the Philippines and Indonesia.

The Public Service Excellence

Awards highlight the value of teamwork in public service. Holly Wise, director of the Global Bureau's Office of Business Development, says, "Teamwork and cooperation at all levels are key to GTN's success."

GTN depends heavily on cooperation from other federal agencies including the Department of Commerce, the U.S. Small Business Administration, and the U.S. Export-Import Bank, as well as on partnership arrangements with 31 state trade offices around the country."

The Public Employees Roundtable is a non-profit, non-partisan educational coalition of 35 management and professional associations, which represent more than 1 million public sector employees and retirees. ■

—Champagne is senior marketing adviser, Office of Business Development.



Receiving the Public Employees Roundtable award for USAID's Global Technology Network are, left to right, Administrator J. Brady Anderson; Holly Wise, director, Office of Business Development; Emmy Simmons, deputy assistant administrator, Global Bureau Center for Economic Growth and Agricultural Development (G/EGAD); Deborah Diaz, Global Technology Network (GTN) regional coordinator; David Cowles, associate assistant administrator, G/EGAD; Charles Santangelo, project manager, Office of Business Development; and Joe Duncan, GTN program manager.



# President Clinton announces Internet grant to India, energy aid to Bangladesh

**I**n all the years of recorded human history, we have never had this many opportunities to fight poverty,” President Bill Clinton told business leaders in Hyderabad, India, March 22, “and it is good economics to do so.”

He included a “special word of appreciation to our Agency for International Development,” saying, “It has guided our efforts to fight diseases that threaten children, to launch the Green Revolution that helped India achieve self-sufficiency in agriculture, and, even more, to provide education so that parents in India and throughout the world can determine the size of their families and keep their children in school.”

Administrator J. Brady Anderson accompanied President Clinton on the trip. At the Hyderabad event, Clinton announced a \$5 million USAID grant to India to help bring the Internet to schools and businesses in under-served areas in rural India. “Millions of Indians are connected to the Internet, but millions more aren’t yet connected to fresh water,” he observed. “India accounts for 30 percent of the world’s software engines, but 25 percent of the malnourished.”

Speaking to the Indian Parliament, Clinton said, “Virtually every challenge humanity knows can be found in India, and every solution to any challenge can be found here as well: confidence in democracy, tolerance for diversity, a willingness to embrace social change.”

On World Tuberculosis (TB) Day, Clinton noted that one person dies of TB in India every minute. Malaria is also on the rise, and although the rate of HIV/AIDS infection is low, India already has

3.5 million people infected, more than any other nation.

President Clinton directed USAID to restart a four-year, \$25 million initiative, the Financial Institutions Reform and Expansion (FIRE) program to help India strengthen its financial and regula-

Initiative (SARI) program to promote clean energy use throughout the region.

To date, USAID has provided \$13 billion in assistance to India, making it the third largest recipient of U.S. economic aid, after Israel and Egypt.

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***“Virtually every challenge humanity knows can be found in India, and every solution to any challenge can be found here as well....”***

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—President Bill Clinton

tory agencies. It was halted in 1998 in the wake of India’s nuclear tests. He also signed an environmental agreement and noted that USAID is committing \$45 million to promote energy production and efficiency in India, in addition to the new \$50 million South Asia Regional

## Bangladesh

When he visited Bangladesh on March 20, President Clinton announced a 10-year, \$30 million agreement between the government of Bangladesh and USAID to establish a clean energy program. He also announced a \$4 million grant to

Grameen-Shakti (a sister organization of the Grameen Bank, which pioneered microenterprise loans) to enable small borrowers to purchase small solar power units for their homes and small businesses, \$97 million in food assistance to Bangladesh, \$3 million for education and skills training for women and girls who have been exploited and a \$1 million grant for non-governmental agencies and the government of Bangladesh to prevent trafficking in women.

Administrator Anderson highlighted the strides made by Bangladesh in reducing population growth through family planning. He noted that 25 years ago Bangladeshi women had an average of 6.6 children, compared to an average of less than 3.3 children today. Anderson also praised the government’s role in strengthening democracy and raising the status of women, as well as the Grameen Bank’s leadership in microenterprise financing. ■



**President Clinton meets with microcredit pioneer Dr. Muhammad Yunus and microentrepreneurs in Dhaka, Bangladesh.**





## In The Field

### Africa

**Angola** *Luanda*  
Director Keith Simmons

**Benin** *Cotonou*  
Director Harry Lightfoot

**Democratic Republic of the Congo** *Kinshasa*  
Director Ronald Harvey

**Eritrea** *Asmara*  
Director William J. Garvelink

**Ethiopia** *Addis Ababa*  
Director Douglas Sheldon  
Deputy Director David Eckerson

**Ghana** *Accra*  
Director Frank J. Young  
Deputy Director Jay Knott

**Guinea** *Conakry*  
Director Harry Bimholz

**Guinea-Bissau** *Bissau*  
Director Donald Clark (Acting)

**Kenya** *Nairobi*  
Director Jonathan Conly

**Liberia** *Monrovia*  
Director Rudolph Thomas

**Madagascar** *Antananarivo*  
Director Karen M. Poe

**Malawi** *Lilongwe*  
Director Kiertisak Toh

**Mali** *Bamako*  
Director James Hradsky  
Deputy Director Paul Tuebner

**Mozambique** *Maputo*  
Director Cynthia Rozell  
Deputy Director David Hess

**Namibia** *Windhoek*  
Director Carole Scherrer-Palma

**Nigeria** *Lagos*  
Director Thomas Hobgood

**Rwanda** *Kigali*  
Director Richard Goldman

**Senegal** *Dakar*  
Director Donald Clark

Deputy Director Patrick Fine

**South Africa** *Pretoria*  
Director William Stacey Rhodes  
Deputy Director Eilene B. Oldwine

**Tanzania** *Dar es Salaam*  
Director Lucretia Taylor

**The Sudan** *Khartoum*  
Sudan Field Office Coordinator  
Larry Meserve (Headquartered in Nairobi, Kenya)

**Uganda** *Kampala*  
Director Dawn Liberi  
Deputy Director Patrick Fleuret

**Zambia** *Lusaka*  
Director Walter North

**Zimbabwe** *Harare*  
Director Rose Marie Depp

### Regional Economic Development Services Offices

**East & Southern Africa (REDSO/ESA)**

**Kenya** *Nairobi*  
Director Dirk Dijkerman  
Deputy Director Steven G. Wisecarver

### Regional Center for Southern Africa (RCSA)

**Botswana** *Gaborone*  
Director Edward J. Spriggs  
Deputy Director Anthony Vance

### Asia

**Bangladesh** *Dhaka*  
Director Gordon H. West  
Deputy Director Anne Aarnes

**Cambodia** *Phnom Penh*  
Vacant

**India** *New Delhi*  
Director Linda E. Morse  
Deputy Director James Bever

**Indonesia** *Jakarta*  
Director Desaix (Terry) Myers  
Deputy Director Sharon Lee Cromer

**Mongolia** *Ulaanbaatar*  
Director Edward W. Birgells

**Nepal** *Kathmandu*  
Director Joanne Hale

**The Philippines** *Manila*  
Director Patricia Buckles  
Deputy Director (Vacant)

**Sri Lanka** *Colombo*  
Director Lisa Chiles

### Near East

**Egypt** *Cairo*  
Director Willard J. Pearson, Jr.  
(Aug. 15)

**Jordan** *Amman*  
Director Toni Christiansen-Wagner  
(Aug. 15)

**Lebanon** *Beirut*  
Director James (Spike) Stephenson

**Morocco** *Rabat*  
Director James Bednar

**West Bank/Gaza**  
Director Larry Garber  
Deputy Director William P. Hammink

### Europe and Eurasia

**Albania** *Tirana*  
Director Howard Sumka

**Armenia** *Yerevan*  
Director Diana Tsitsos  
Deputy Director Jatinder Cheema

**Bosnia** *Sarajevo*  
Director Edward Kadunc

**Bulgaria** *Sofia*  
Director Debra Dewitt McFarland

**Croatia** *Zagreb*  
Director Pamela L. Baldwin

**Kosovo** *Pristina*  
Director Craig Buck

**Lithuania** *Vilnius*  
Director Gary Imhoff (Acting)

**Macedonia** *Skopje*  
Director Stephen Haynes

**Poland** *Warsaw*  
Director William M. Frej

**Romania** *Bucharest*  
Director Denny Robertson

**Serbia** *(Belgrade)* Federal Republic of Yugoslavia  
Director Richard J. Hough

**Slovakia** *Bratislava*  
Director Maria Mamlouk (Acting)

**Ukraine** *Kiev* (West NIS-Ukraine; Moldova; Belarus)  
Director Christopher Crowley  
Deputy Director Richard Goughnour

### INTERNATIONAL ORGANIZATIONS

#### U.S. Mission to the Organization for Economic Cooperation and Development

Paris, France

U.S. Representative to the Development Assistance Committee—  
Kelly C. Kammerer

#### U.S. Embassy

Tokyo, Japan

Counselor for Development Cooperation-(Vacant)

#### U.S. Mission of the European Union-Manila

Brussels, Belgium

USAID Coordination Representative—Kurt Fuller

U.S. Mission to Geneva, Switzerland—Nance Kylvoh (contractor)

**Regional Mission for Central Asian Republics** (Kazakhstan; Kyrgyzstan; Tajikistan; Turkmenistan; Uzbekistan)  
 Director Glen Anders  
 Deputy Director Vicki Moore

**Regional Mission for the Caucasus** (Georgia, Tbilisi; Azerbaijan, Baka)  
 Director Michael Farbman  
 Deputy Director P.E. Balakrishnan

**Regional Services Center (RSC/E&E)**  
**Hungary Budapest**  
 Director Patricia Lerner  
**Russia Moscow**  
 Director Carol A. Peasley  
 Deputy Director Mark S. Ward

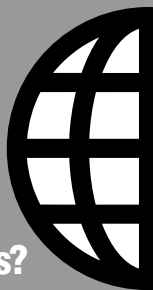
### Latin America and the Caribbean

**Bolivia La Paz**  
 Director Liliana Ayalde  
 Deputy Director Wayne Nilsestuen  
**Brazil Brasilia**  
 Director Janice Weber  
**Colombia Bogota**  
 Director George Wachtenheim  
**Dominican Republic Santo Domingo**  
 Director Elena Brineman  
 Deputy Director Leopoldo Garza  
**Ecuador Quito**  
 Director Hilda Arellano  
**El Salvador San Salvador**  
 Director Kenneth Ellis  
 Deputy Director (Vacant)  
**Guatemala Guatemala City**  
 Director George Carner  
 Deputy Director Deborah Kennedy-Iraheta  
 Deputy Regional Director Richard Whelden  
**Guyana Georgetown**  
 Director Carol Becker  
**Haiti Port-au-Prince**  
 Director Lewis Lucke  
 Deputy Director George Deikun  
**Honduras Tegucigalpa**  
 Director Timothy Mahoney  
 Deputy Director Joseph Lombardo  
**Jamaica Kingston**  
 Director Mosina Jordan  
**Mexico Mexico City**  
 Director Paul White  
**Nicaragua Managua**

Director Marilyn Zak  
 Deputy Director Rodger Garner  
**Panama Panama City**  
 Director Lawrence J. Klassen  
**Paraguay Asuncion**  
 Director Wayne Tate  
**Peru Lima**  
 Director Thomas Geiger  
 Deputy Director John Cloutier

## WHERE

In The  
 World  
 Are  
 USAID  
 Employees?



## Moved On

Byers, Mary  
 Fullmer, Jennifer  
 Funkey, James  
 Glaubach, Christine  
 Lakich, Duane  
 Meche, Susan  
 Moffat, Linda  
 Mozee, Jan Miriam  
 Notman, Elizabeth  
 O'Connor, Patricia  
 Ploch, Jennifer  
 Rentel, Kathryn  
 Rosenthal, Gil  
 Rubin, Joel  
 Salter, Howard  
 Strautmanis, Michael  
 Viets, Raymond

## Promoted

Affleck, Aldona  
 Brown, Patricia  
 Burgess, Kimberly  
 Connery, Kathleen  
 Cottingham, Terri  
 Jefferson, Eleanor  
 Katsaros, Andrew  
 Kerns, Melissa

Maipid-Smith, Bella  
 Ouellette, Susan  
 Paskar, Joanne  
 Simpson, Julia  
 Sydnor, Inga

## Reassigned

Allen, Colleen Roberson, M/MPI/MC, management analyst, to special assistant/deputy chief of staff, A/AID  
 Ballen, Rachel, COMP/NE/OJT, contract officer, to COMP/FSLT  
 Callahan, Stephen, M/AS/OD, supervisory executive officer, to executive officer  
 Coker, Judith Ann, G/EGAD/DAA/CI, general business specialist, to AA/G/DCS  
 Ehrlich, Cynthia, Caucasus, supervisory financial management officer budget/analyst, to financial management officer budget/analyst, Ukraine  
 Gaughran, James Bernard, M/MPI, auditor, to special projects officer, IG/A/HLC  
 Goddard, Paula, Slovakia, mission director, to foreign affairs officer, COMP/SEPARATION  
 Gorton, Lynn, G/PHN/FPS, health/population development officer, to supervisory general development officer, Nigeria  
 Goshgarian, Sandra, G/ECAD/DAA/CI, general business specialist, to AA/G/DCS  
 Henning, Michael, Philippines, democracy officer, to E&E/DG/CSM  
 Johnson, Carrie, AA/M, special assistant, to program analyst, AFR/DP/PAB  
 Paraskeva, Constance, COMP/FS, democracy officer, to general development officer, Haiti  
 Park, Thomas, Benin, mission director, to supervisory regional development officer, AFR/WA  
 Rosenberg, Helene Kaufman, AA/PPC, counselor development cooperation, to foreign affairs officer, COMP/SEPARATION

Singer, Courtenay, COMP/NE/OJT, public health advisor, to G/PHN/POP/FPS  
 Sullivan, James, G/ENV/DAA, associate assistant administrator, to senior environment/energy advisor  
 Tarpeh-Doe, Linda, REDSO/ESA, supervisory financial management officer, to controller, Ethiopia  
 Wu, Kathleen, G/EGAD/DAA/CI, financial management specialist, to financial analyst, AA/G/DCS

## Retired

Anderson, William  
 Barrett, Lana  
 Briscoe, Betty  
 Brock, Mary  
 Brown, Patrick Ann  
 Brown, Renee  
 Brown, Terrence  
 Brown, Virginia  
 Bryant, Bunyan  
 Crean, Timothy  
 Dixon, Wilfred  
 Gardella, David  
 Godiksen, Lois  
 Gray, V. Roberta  
 Hayes, Robby  
 Howard, Richard  
 Huger, Gregory  
 Johnson, Wilhelmina  
 Jones, Carole  
 Karns, Mark  
 Lee, John  
 Magruder, Cynthia  
 McPhie, Winston  
 Mitchiner, John Jr.  
 Redfearn, Ethel  
 Rice, Calvertus  
 Ross, Dovie  
 Scott, Audrine  
 Tiffany, Terrence  
 Walker, Tujuana  
 Walters, Larena  
 Wickland, Brian  
 Williams, Ralph  
 Williams, Yvonne  
 Woodson, Alfred

## Obituaries

**Elmer G. Fales**, a retired Foreign Service officer, died May 19 of prostate cancer at the Hospice of Northern Virginia. Fales joined USAID in 1968 as an education specialist and served in Jakarta and Cairo. He was chief of professional studies in the Bureau for Management's Personnel Division until he retired in 1991. Following his retirement, Fales was a contractor with the Mitchell Group for USAID's Bureau for Humanitarian Response, Office of U.S. Foreign Disaster Assistance.

**William J. Gill**, 78, a retired Marine Corps chief warrant officer and former USAID Foreign Service officer, died May 20 of a heart ailment at Inova Fairfax Hospital. Gill joined USAID in 1964 and worked on logistics assignments. He served in Laos, Cote d' Ivoire and Egypt. He retired from USAID in 1987.

**William G. Hart**, 93, died

April 11 in Spring Hill, Fla. Hart joined USAID's predecessor agency in 1954, serving in the Philippines, Taiwan, Thailand and Iraq. When he retired in 1970, he was education chief in Laos. Following his retirement, Hart taught education courses at the University of South Florida.

**L. Wade Lathram**, 83, a retired Foreign Service officer, died of respiratory failure April 15 at Inova Alexandria Hospital. Lathram joined USAID's predecessor agency in 1952 and worked in India, Turkey, and Vietnam and was deputy chief of mission in South Korea. He was director of regional affairs for the former Bureau for Near East and South Asia and director of personnel in Washington. Before coming to USAID, he worked for the secretary of war, was director of management of the Department of Interior and served in the Army Air Force during World War II. Lathram received Distinguished Service Awards from USAID, the

Department of Interior and the Department of Army. After retiring from USAID in 1974, he was a foreign affairs management consultant and lectured at the State Department Foreign Service Institute.

**Daniel W. Levandowsky**, 97, an agronomist and tropical horticulturalist, died April 2 at his home in Miami, Fla., after a heart attack. Levandowsky joined USAID's predecessor agency in 1958 and worked in Vietnam, Cote d' Ivoire, Iran and the Dominican Republic. Before joining USAID, Levandowsky worked in Liberia and for the National Capital Parks Commission. During World War II, he was involved in government efforts to grow cinchona in Guatemala.

**Paul Saenz**, 58, died April 17 of cancer at the Hospice of Northern Virginia. Saenz joined USAID in 1970 and worked in Africa on drought-relief issues. He was mission director to Panama and worked on the Panama Canal

treaty negotiations before retiring from USAID in 1978.

**Herbert Stroughters Jr.**, 58, died April 17 at Washington Hospital Center. Stroughters joined USAID in 1970 and worked in the telecommunications office (now the Office of Information Resources Management, Telecommunications Computer Operations Division) until he retired from the agency in 1996.

**Annie M. Warren**, 49, died April 27 at George Washington Hospital. Warren joined USAID in 1982 as a clerk typist in the Health, Population and Nutrition Development Division in the Near East Bureau. She later became a secretary in the Office of the Assistant Administrator and worked in the Bureau for Policy and Program Coordination and the Global Bureau's Center for Population, Health and Nutrition. Her last assignment was in the Africa Bureau, Office of Development Planning.

## Award for USAID "family friendly" work/life programs

The U.S. Office of Personnel Management named USAID one of three federal agencies with Outstanding Work/Life Programs for 1999. The programs, administered by the Management Bureau's Human Resources and Administrative Services offices, are designed to "help employees balance their working lives with their personal lives while ensuring that work requirements continue to be accomplished."

Family friendly programs

include flexible work arrangements (part-time employment, job sharing, telecommuting, flexitime and flexible 5/4-9 alternative work schedules); subsidized Metrocheks, subsidized carpool parking, special parking arrangements for disabled employees; child care development facility (Triangle Tots), fitness center, health facility; elder care seminars and referrals; a team of licensed counselors offering group and individual counseling. ■



Janice LaChance (center left), director of the Office of Personnel Management, presented an award to USAID for Outstanding Work/Life Programs for 1999. Accepting the award for USAID are (left to right) Frank Miller, American Foreign Service Association; Joann Jones, Management Bureau/Human Resources; Anthony Meyer, Association of Federal Government Employees; Marilyn Marston, Management Bureau/Human Resources, and Peggy Thome, Management Bureau/Administrative Services.

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# Romanian credit unions

(continued from page 3)

savings derived from mandatory savings deducted from the workers' earnings and placed in a "social fund share account." Despite strict rules for saving and borrowing and lack of product diversity, the CARs remained the only financial services available to microentrepreneurs. This alone helped the CARs gain credibility with the public.

In 1996, recognizing the potential of CARs in Romania, USAID funded a two-year project through the World Council of Credit Unions (WOCCU). Working with 13 CARs across Romania, WOCCU developed a project that focused on market-driven savings and lending services and converting CARs from providing traditional social fund share accounts to voluntary savings and deposit services. In November 1999, USAID extended this project for the next four years.

One CAR member, Maria

Manes, who had been forced out of her job by privatization, began her own clothing design and manufacturing microenterprise. To get her business off the ground, Maria needed help. Although she obtained her first loan from a commercial bank, Maria needed more flexibility and support of a CAR to become a success. Maria joined Carpati CAR and is now a client of the CAR's

"When I have enough collateral and can afford another loan, I know that I can go to Carpati CAR," Maria says.

WOCCU helped 13 CARs make the shift to providing services that met their new members' financial needs, while ensuring each organization's financial sustainability. The CARs had to modernize their financial operations and expand products and services.

serve 54,344 clients with total deposits of US\$5.8 million.

WOCCU has also helped the CARs adapt a uniform accounting system, strengthen internal controls and establish computerized accounting systems. A most surprising but promising result of the project has been the widespread adoption of market-priced services for microentrepreneurs by CARs outside the core group of 13. Since WOCCU began its work in Romania, more than 200 additional CARs have begun to modernize and adopt market-driven credit and savings products. The race to compete in the marketplace is enlarging the scope and scale of credit and savings products for microentrepreneurs. The future is looking brighter. ■

—Henderson is a microfinance specialist at Weidemann Associates, Inc.

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***Frustrated by layoffs, low pay, and increasing economic instability, many Romanians sought self-employment and entered the microenterprise sector.***

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credit services. Maria used her first loan, the equivalent of US\$1,639, to purchase fabric and as working capital. She is looking to the CAR to help finance future expansion.

This required expanding their membership base, mobilizing and protecting savings, and developing new credit products and services.

The original 13 CARs now